

# The history of Handelsbanken



If you have any questions about  
"The history of Handelsbanken"  
please contact Lars Kenneth Dahlgvist  
at Handelsbanken's Historical Society  
[handelsbankshistoriskasällskapet@handelsbanken.se](mailto:handelsbankshistoriskasällskapet@handelsbanken.se)

# In spring 1871 a new bank was formed



The members of the first board of Handelsbanken.

The history of Handelsbanken dates back to the spring of 1871, when a number of prominent companies and individuals in Stockholm's business community founded Handelsbanken. This was the result of a personal conflict at Enskilda Bank which culminated in April 1871 with the resignation of eight board members who shortly after decided to form a new bank. Handelsbanken's first board largely comprised previous members of the executive board of Enskilda Bank.

Unlike Enskilda Bank, which, being a

bank where the owners had joint and several liability, could issue its own bank notes, Handelsbanken became a limited company. The paid-up share capital totalled SEK 1 million. The Bank's shares were first listed on the Swedish market in 1873, and today it is the oldest share on the Stockholm exchange.

While its main competitors focused on bond transactions and corporate customers outside Stockholm, Handelsbanken emphasised at the outset that it would pursue "true banking activities" with deposits



Handelsbanken's first advertisement dated 29 June 1871.



Stockholms Handelsbank's first branch at Kornhamnstorg in the Old Town of Stockholm.

and loans and that it would focus on the local bank market, that is, the business activities of Sweden's capital city.

The Bank received its first charter to run a bank from His Majesty the King on 12 May, and on 1 July 1871 the Bank began operations in rented offices located at Kornhamnstorg in Stockholm's Old Town, which at that time was still the commercial and financial centre of the city. Including the managing director, there were 12 employees. During the Bank's first year, the whole of its operations, including the premises where it served customers, were based on the first floor of the Schinkel building at Kornhamnstorg 4. A couple of years later, the first branches were opened in Stockholm: 1876 in the Södermalm district (Götgatan 16), 1878 in Norrmalm (Fredsgatan 32) and 1882

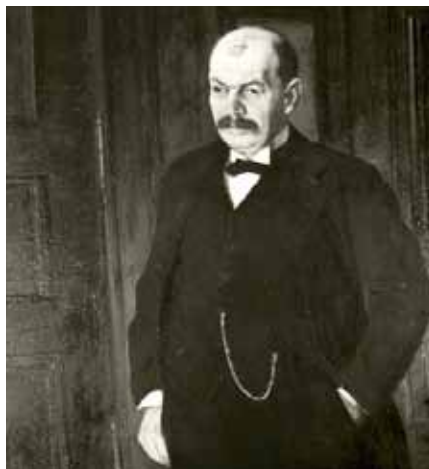
in Östermalm (Humlegårdsgatan 24). The Bank opened a branch in Jönköping in 1874 but it was closed in 1895.

The Bank's first year of operations was very successful and after only a couple of years, Handelsbanken held a strong position among Stockholm banks. The first major test for the new bank came with the difficult crisis years of 1878-79, which severely impacted on large sections of Swedish banking, particularly as a result of uncertainty surrounding railway bonds. The Bank put large amounts of money into a special fund to meet expected loan losses. However, compared with other Stockholm banks, Handelsbanken managed quite well. While its main competitor needed to be rescued with state support, Handelsbanken was able to advance its position.

# The Fraenckel period

During the crisis years in the late 1870s and also in the early 1880s, the Bank grew more rapidly than its competitors. The major crash in the construction sector in Stockholm in 1885 and the subsequent downturn in the economy seriously affected the previously expanding bank. With still poor results in the early 1890s, the Bank's owners demanded new management. In 1893, Louis Fraenckel, a private banker, was appointed as the new managing director of the Bank. He would lead the Bank for 18 years up to 1911. The business connections of Fraenckel's old firm, including international ones, were transferred to Stockholms Handelsbank.

A year or so after Fraenckel's appointment, rapid economic development in Sweden created a strong demand for banking services. The economic boom presented opportunities for higher profits but also risks which were difficult to assess. In the midst of the tough competition between the banks, under Louis Fraenckel's leadership, Stockholms Handelsbank was the one that succeeded best. The Bank was able to acquire a large number of corporate customers and to develop its international contacts. Mr Fraenckel focused on what we would today call merchant banking. Increasing profits was one of his major goals and his strategies included greater focus on bond and foreign exchange business.



Louis Fraenckel, Managing Director 1893–1911

He did not want the Bank to be direct owner of branches outside Stockholm. Instead the Bank was an active participant in founding new local banks with which Stockholms Handelsbank had close collaboration and ownership interests. In 1895, the branch in Jönköping was closed down and transferred to the new Jönköpings Handelsbank. In 1896, Skånska Handelsbanken was founded and in the following year Göteborgs Handelsbank. Co-operation agreements were entered into with these banks, and also with Sundsvalls Handelsbank. However, the



Since spring 1905, Handelsbanken's head office has been situated at Kungsträdgårdsgatan in Stockholm.

collaboration which Louis Fraenckel had set up between these "Handelsbanks" did not last for long and came to an end in 1911.

When Louis Fraenckel became managing director, Handelsbanken was the tenth largest commercial bank in Sweden. When he left, the Bank had risen to second place.

In autumn 1896, the head office was moved from the Old Town to rented premises at Gustaf Adolfs Torg in the new business centre of Stockholm.

The rented premises turned out to be too small after only a couple of years. To solve this problem, a larger property at Kungsträdgårdsgatan 2B was purchased, and a new head office for the Bank was built there. On 22 May 1905 – long after its two main competitors – Handelsbanken moved into its own prestigious building located on Kungsträdgårdsgatan. Since then, these premises have served as the Bank's headquarters, now greatly expanded. At this time, the Bank had some 50 employees working at six branch offices.

# Stockholms Handelsbank expands to become Svenska Handelsbanken



Handelsbanken has conducted business in Oscarshamn since 1919, when the branch was acquired from Bankaktiebolaget Södra Sverige.

The first decades of the twentieth century were an era of bank mergers in Sweden as well as in Europe. The number of banks in Sweden was reduced by more than one-half.

During Louis Fraenckel's time as managing director, Stockholms Handelsbank only had branches in Stockholm, but the new management saw many advantages in expanding the branch operations to other parts of the country.

In spring 1914, Bankaktiebolaget Norra Sverige was acquired. The merger significantly expanded Handelsbanken's operations, giving it branch offices in 36 new towns, primarily along Norrland's coast but also some branches in Central Sweden.

In connection with the acquisition, operations were split into two divisions: a Stockholm operation and an equally important provincial operation. The provincial centre which

reported directly to the managing director and had the task of managing the acquired operations in the provinces, was situated at Kungsträdgårdsgatan 16. The organisation with a Stockholm operation and a provincial operation was retained until the end of the 1960s.

While Handelsbanken's competitors expanded to the west and south during this consolidation period, the Bank's management continued to look to the north where the forest industry was booming. In 1917, Handelsbanken further strengthened its position in this promising area through the acquisition of Norrlandsbanken and its 79 branch offices. As with Bankaktiebolaget Norra Sverige, Norrlandsbanken was a product of the merger of several smaller banks.

Although the acquisitions in Norrland improved the ratio between deposits and loans, such a strong concentration in northern Sweden soon proved to be unwise. In 1918, Handelsbanken opened new branches in Göteborg and Malmö. The Stockholm banks found that there was also an attractive deposit surplus in southern Sweden, and in 1919, Handelsbanken acquired Bankaktiebolaget Södra Sverige with its 67 branch offices.

Following the merger with Bankaktiebolaget Södra Sverige, the Bank changed its name to Svenska Handelsbanken. In addition, Svenska Handelsbanken adopted the octagon symbol from Bankaktiebolaget Södra Sverige, which would function as its own logo for many years.



The octagon symbol accompanied the acquisition of Bankaktiebolaget Södra Sverige and served as the symbol for Svenska Handelsbanken for many years.



Advertising from Stockholms Handelsbank from 1917.

# Deflationary crisis and Kreuger crash



Handelsbanken's branch no. 8 in Stockholm, on Regeringsgatan 47 in the 1920s.

The 1920s were a testing time for the Swedish economy. In the early 1920s, the United States entered a deep depression, and demand for Swedish export goods declined. Between 1920 and 1922, the general price level in Sweden fell by over 30 per cent. This deflation triggered a serious crisis that threatened the entire financial system. Much of the Bank's lending comprised credits secured by shares. The stock exchange crash from 1919 until 1922 meant that the Bank's collateral was often insufficient.

In 1921, Handelsbanken celebrated its fiftieth anniversary, but the annual report did not bring any good tidings. Instead, it was filled with concern about the economic situation. The Board pointed out in its report that "business has suffered under extreme conditions, which have directly affected the Bank's operations." It stated that "substantial amounts ... are proposed for write-downs due to losses."

In the following year, the situation became even worse and 1922 turned out to be a major crisis year for the commercial banks. For the first time in the 50-year history of the Bank, the annual report did not show a profit and at the AGM in spring 1923, both a new managing director and a new chairman of the Board were appointed. The major write-offs the Bank was forced to make in 1922 were the result of the previously expansive lending policy. Borrowers included Svenska Emissions AB, a company associated with the bank and companies in which it had significant ownership interests. But in the latter part of the 1920s, the economic situation became more favourable and the Bank's operations developed well.

The Wall Street Crash in late 1929 and the ensuing worldwide depression in the first half of the 1930s led to renewed problems for many of the Bank's borrowers, and profits were more than halved.

During the prosperous years of the 1920s, the most hyped name on the Swedish financial market was the 'Match King,' Ivar Kreuger, and his corporate empire. Handelsbanken's senior management were, however, cautious in their dealings with Kreuger, and in the late 1920s, the only significant dealings the Bank had with the financier were those relating to Svenska Cellulosaaktiebolaget (SCA). After the Kreuger crash in 1932, Handelsbanken became by far the most dominant owner of SCA – it was a subsidiary of the Bank right up until 1950, when the company was listed on the stock exchange.

During the financial crises of the 1920s and 1930s, Handelsbanken took over the majority of the shares in several industrial companies in Sweden for the purpose of protecting its loan claims. After the companies were reconstructed, in the late 1930s, the Bank began

to plan for a coordinated phase-out of these ownership interests. A holding company was formed in the winter of 1943/44 to which shareholdings in seven companies were transferred, including the telephone company LM Ericson. The new holding company was called Industrivärden. The shareholders of the Bank were offered the opportunity to subscribe for shares in the new company on favourable terms. The company was listed on the stock exchange in 1945.

Consolidation continued on the Swedish bank market during the interwar era. With acquisitions such as Mälarebanken in 1926, Handelsbanken was able to generally maintain the number of branch offices at a stable level of just over 260. At the same time, the other commercial banks drastically reduced the number of branch offices.



Handelsbanken's branch at Stortorget in Helsingborg in the 1950s. Handelsbanken took over the building, which was previously the headquarters of Bankaktiebolaget Södra Sverige, in 1919.

# Operations are broadened

During the post-war period, Handelsbanken continued to expand on an increasingly consolidated Swedish bank market. The acquisitions of Vänersborgsbanken and Norrköpings Folkbank during the 1940s were followed by the purchase of Luleå Folkbank and Gotlandsbanken in the 1950s.

Alongside its traditional commercial banking operations offering lending and deposits, Handelsbanken broadened its operations at an early stage to include more product areas. In 1955, the mortgage company SIGAB was purchased, which subsequently changed its

name to Handelsbanken Hypotek. In 1963, Handelsbanken was the first Swedish bank to form a finance company providing leasing and factoring services. The name Säljfinans was changed to Svenska Finans in 1973, and in 1991 to Handelsbanken Finans. With effect from 1 March 2011, Handelsbanken Finans is part of the newly formed business area, Handelsbanken Direkt.

In 1971, Handelsbanken took over as general agent for sales of the "Koncentra" funds from Åhlén & Holm AB. This was the start of the mutual fund operation, Handelsbanken Fonder.



Handelsbanken contributed financially to salvaging the Swedish warship, the *Wasa*, which sank in 1628 and was salvaged in 1961. Here we see Handelsbanken's bank bus parked close the salvage site.

# Handelsbanken in the 1960s



To commemorate Handelsbanken's 90th anniversary in 1961, Stig Lindberg was given the task of creating a new savings box. The Bank's marketing used the Scottie Dog savings bank a great deal in the 1960s to boost household savings.

In Sweden, the decades following the Second World War were the longest period of continuous economic growth that the country had experienced.

In the 1950s and 1960s, Handelsbanken focused not only on profitability; a great deal of attention was focused on the Bank's size and volume growth. When the Riksbank put a ceiling on the growth of lending for purposes other than residential property construction, Handelsbanken began to focus on increasing deposits. The means to achieve this end was to focus more on household savings by setting attractive interest rates, implementing various sales campaigns, and expanding the branch network considerably.

During the 1955-65 period, Handelsbanken opened no fewer than 157 new branches. Most of these were in the new suburbs of Stockholm, which were expanding rapidly, due to the substantial movements in population at that time. The expansion of the branch network was justified by a wish to improve service for existing customers, and to reach new customers.

However, in the late 60s, the Bank was affected by events that caused negative publicity in the media and brought criticism from public authorities: in 1966, the takeover of a well-known travel company, and in 1969, foreign exchange transactions that contravened the strict currency regulation of that time. However, the epilogue to these years of crisis would spur the rejuvenation of Handelsbanken.

# Jan Wallander focuses on profitability



Jan Wallander, Handelsbanken's CEO 1970-1978 and board chairman 1978-1991.

In the late 1960s, Handelsbanken ran into a crisis. The management resigned and in early 1970, Jan Wallander was recruited from the Norrland provincial bank Sundsvallsbanken as the new CEO of Handelsbanken. Mr Wallander introduced new ideas which Sundsvallsbanken had started to practice.

A decision was made to extensively decentralise Handelsbanken's organisation. But in order to meet the requirements from larger customers, the branches needed specialist support. Therefore the branches were grouped into larger units. If these units were about the same size as Sundsvallsbanken, they would not be unmanageably large. Thus, the Bank's branch offices were divided into eight regional banks, each consisting of about 70 branch offices.

At year-end 1970, the first regional bank was founded, with its head office in Malmö. When it proved that operations in the Southern Sweden regional bank had generated healthy profits, the other seven regional banks were started up during the course of 1972. The new regional banks had their own boards and a high degree of independence.

In the new, decentralised organisation many of the previous tasks of the head office were transferred to the regional head offices, while other functions were no longer needed.

This latter group included the central unit that worked on budgeting. Jan Wallander considered budgets to be not only an unnecessary evil, but in some cases outright dangerous. Instead, a new financial reporting and management system was developed based on the actual profit outcome.

The new Handelsbanken organisation would focus on profitability rather than volumes. The goal was, and still is, to have a return on equity that exceeds the average for the other listed banks. From having lower profitability than its competitors in the late 1960s, Handelsbanken managed to achieve the same level of profitability as the other banks in 1971.

Since 1972, Handelsbanken has met the goal of being more profitable than the average for other listed banks.

A condition for achieving better profitability than other banks on the same market and working under the same conditions is that

Handelsbanken employees outperform their peers in the rest of the industry. Consequently, the Bank's management thought it was reasonable that employees should share in these extra profits. At the time, there was lively debate in Sweden on how employees could gain more influence in companies. In February 1973, the Bank's Board decided to allocate SEK 10 million to a profit-sharing foundation called Oktogonen formed by the Bank's trade union club. The funds were invested in Handelsbanken shares, thus giving the employees owner representation on the Bank's board. Since the managed funds are not paid out directly but at the time of retirement, Oktogonen became an informed, long-term, major owner – something that is lacking in many companies. The Bank's good profit development facilitated new allocations in the next few years and a large part of the funds were invested in Handelsbanken shares. Since 1998, Oktogonen has owned around 10 per cent of the voting rights in Handelsbanken.



The first allocation to the Oktogonen profit-sharing foundation, which is owned by the employees. CEO Jan Wallander awards a symbolic cheque to personnel representative Kay Ytterskog.

# The evolution of IT at the Bank



In the 1960s, work volumes at the Bank increased considerably. Not least the increasing use of cheque accounts contributed to the number of lending and deposits transactions close to quadrupling between 1957 and 1966.

With the aim of rationalising laborious book-keeping routines for customer accounts, Handelsbanken started up its computer operations in the early 1960s.

For the first few years, the computer centre was based at the Bank's Grev Turegatan 44 premises in Stockholm, but was later transferred to Tegeluddsvägen in the Gärdet area of Stockholm.

In 1964 the computer centre changed its name to the computer department and after 1967 was part of the department for administrative rationalisation.

In 1966, Handelsbanken purchased two computers from the modern IBM 360 series, which were to play a key role in the Bank's data processing.

In the mid-1960s, the idea of creating an online system for transfers and processing monetary transactions was born. The idea was to connect the branches via the telecom network to the Bank's central computer at Gärdet in Stockholm. By providing the branches with cash and query terminals it would be possible to collect the numerous monetary transactions from the cash desks and then book them centrally. The development work for the project lasted several years.

For the staff at the Bank's branches, a major change came in 1973-75, when the first terminal systems were introduced. These terminals facilitated faster service to customers, such as immediate information about their account balance. This system, referred to in-house as HTS, was used for many years, but was replaced in 1986-89 by a new terminal system called HTD (in Swedish: Handelsbankens Terminal och Datorsystem).

With this multi-function terminal, most procedures at a branch could be carried out from a single workstation, faster than before and with higher quality.

But it was not until the early 1990s, that the Bank approached a figure of one terminal per branch employee. In the late 1990s, when the concept of Electronic Data Processing support made way for IT, HTD was supplemented with networks of personal computers.



HTS (Handelsbanken's Terminal System) was implemented at the Bank's branches in 1973-75.



# The Swedish banking market is deregulated



During the Second World War, state control of the Swedish financial market was tightened up, and in the ensuing decades, the credit market became a vital part of government policy. The Riksbank (the Swedish central bank) came to control not only interest rates but also credit volumes. Lending in Swedish kronor was strictly regulated. The banks' ability to grant loans for purposes other than mortgage financing was limited, as the Riksbank decided to what extent lending volumes were allowed to increase. Naturally, this restricted free competition and led to a deadlocked competitive situation between the banks.

However, in the mid-1980s, it became clear that the lending ceiling was an ineffective way of preventing credit expansion, since an increasing proportion of credit was being granted outside the banking system. On 14 May 1985, the Riksbank's recommendation

for the maximum permitted average interest rate for bank lending ceased, and six months later, on 22 November 1985, the restriction on lending was lifted. This deregulation led to bank lending increasing sharply. One result of this was that the banks were able to win back some of the borrowers who had sought credit from other sources. In the last three years of the 1980s, Handelsbanken's lending volumes doubled.

The last in a long line of Swedish provincial bank acquisitions was in 1990 when Handelsbanken acquired Skånska Banken. With its 76 branches, Skånska Banken contributed to an increase in Handelsbanken's service level and the business volumes in southern Sweden. This acquisition was aptly described as a milestone at the time it was presented. Handelsbanken's expansion would certainly continue, but it was about to take a new path.

# Handelsbanken copes with the major financial crisis of the 1990s

During the protracted boom of the 1980s, bank lending in Sweden had grown at an exceptionally fast rate. A large share of the lending went to speculative investments. In autumn 1990, a serious crisis emerged in Swedish banking as a result of a deep recession. Corporate loans were the primary cause of huge loan losses in the Swedish banks. The Swedish government's costs for supporting the bank sector were an incredible SEK 66 billion. During the banking crisis, Handelsbanken was the only major Swedish bank that was not forced to discuss applying for government aid.

Handelsbanken was able to use the situation to advance its position on the Swedish banking market. For example, Handelsbanken's share of deposits from Swedish households increased from 11 per cent in 1990 to more than 17 per cent by the end of the decade.

In 1997 – a year characterised by several restructuring transactions in the banking sector - Handelsbanken utilised its strong capital situation for a cash acquisition of the mortgage company, Stadshypotek. When the government in summer 1996 had declared that the government's Stadshypotek shares would be sold, the Bank made an offer to acquire all shares. In December 1996, the government agreed to accept Handelsbanken's offer and on 26 February 1997 the Bank became the owner of Stadshypotek AB.

The total purchase price was SEK 23 billion. Stadshypotek's lending operations were immediately integrated into the Bank's branch office network.

In the 1990s, the range of products in the area of savings also increased. For example, in 1992, the Bank introduced equity-linked bonds, and since 1 January 1994, customers have been able to save for their pensions with the Bank with the same tax regulations as for pension insurance.

In late 1994, the Bank pooled all its operations on the securities and foreign exchange markets in a new unit named Handelsbanken Markets. This operation included equity, foreign exchange and money market trading, asset management, trade finance and corporate finance.



# Expanding in the Nordic countries



Fredriksstad, Norge



Jävenpää, Finland



Videbaek, Danmark

Swedish foreign currency regulations were lifted in 1989 and a few years earlier it had become possible for Swedish banks to open branches abroad. This led to an increased internationalisation of the Swedish banking market. Handelsbanken was well prepared for this change. During the 1980s, the bank had built up its international operations with branch offices and subsidiaries in London, New York and Singapore, for example.

Could Handelsbanken's successful Swedish model also be used to provide full-service banking in other countries? Based on these considerations, Handelsbanken decided to start operations in Norway, and the following year the first branch in Oslo was opened. In February 1990, the Bank made a cash offer for Oslo Handelsbank. Through organic growth and the acquisition of Stavanger Bank in 1991, Handelsbanken was able to take advantage of the historical opportunity for expansion created by the banking crisis in Norway in the early 1990s. During the 1990s, the Bank created a nationwide network of branch offices in Norway, supplemented by the purchase of Bergensbanken in 1999.

In 1985, the Bank opened a representative office in Helsinki, Finland and a subsidiary was formed five years later, which in 1991 became a branch of Handelsbanken. In February 1994, the first street-level branch was opened at Eteläranta in Helsinki and in 1995, Handelsbanken acquired the healthy parts of Skopbank. At the same time, it was decided to open branch offices in several major Finnish cities, making Handelsbanken the fourth largest bank in Finland.

In Denmark, a representative office was opened in Copenhagen in 1990. Handelsbanken's first Danish branch started in 1996. The opening of the Copenhagen office was soon followed by further openings in other parts of the country. In 2001, Handelsbanken purchased Midtbank, which had a very strong presence in the Jutland area of Denmark. In the autumn of 2008, Handelsbanken acquired Lokalbanken i Nordsjælland A/S, with 14 branches in a very attractive part of Denmark. With this acquisition, Handelsbanken became the fifth largest bank in Denmark with 54 branches.

# Increased interest in life insurance



On 1 January 1998, branch office operations in Norway, Finland and Denmark attained the status of separate regional banks, and thus from then on their operations were run according to the same principles as in Sweden.

The 1990s was also a period of some realignment between the financial services and insurance sectors. Pensions savings became an increasingly important element in long-term savings for the Bank's customers. Given this development, the Bank acquired the mutual life insurance company RKA in 1992.

The company changed its name to Handelsbanken Liv in connection with the purchase. Following a change in legislation, Handelsbanken Liv was demutualised on 1 January 2002, thus becoming a for-profit life insurance company. This was the first demutualisation of its kind in Sweden. Before demutualisation, customers who would

be affected by the change were given the opportunity to vote on it. Of these, 98 per cent voted in favour of demutualisation.

In March 2001, Handelsbanken acquired the life insurance company SPP. The company was a leader in the field of occupational pensions in Sweden. But this market changed very quickly, one result being that independent insurance brokers had a stronger position and the ability to reach the mass market was of increased importance for a successful insurance company. This led to fewer points of contact between SPP and the Bank's branches. On 3 September 2007, the Bank therefore entered into an agreement to sell SPP to Storebrand, a Norwegian insurance company. During the six years, Handelsbanken owned SPP, the company was completely changed. SPP's operating costs were halved and on 1 January 2006, the company was converted into a for-profit insurance company.

## Increased availability



Technological advances also benefited customers, in the form of more and more electronic self-service products. In early 1970, Handelsbanken installed six ATMs on a trial basis, and in the following years more ATMs were installed throughout Sweden. In late 1991, the Bank's telephone service started up, under the name Datasvar (the name of the service was later changed to Telesvar): customers were able to carry out routine procedures such as transferring money between their accounts, and checking balances and recent transactions. The Bank's range of automated services entered a new era on 10 December 1997, with online banking. Customers were offered the opportunity to carry out all standard

banking procedures, including payments and securities trading, via the internet.

In 2006, the telephone service was expanded when the Bank began offering private and corporate customers in Sweden personal service via Handelsbanken Direkt, manned 24 hours a day, seven days a week by experienced banking staff.

Since 2010, Handelsbanken has also offered its customers mobile banking services for smartphones, tablet devices, standard mobile phones, etc. Customers can therefore manage their basic banking business, wherever they have mobile communication with the internet.

## Breaking into the UK market

At the beginning of the 1980s, Handelsbanken started banking operations in the UK. In 1989, the branch in London was complemented with a representative branch in Manchester. A third branch was opened in Birmingham in 1994. Initially, operations focused on Nordic-related corporate business but in the autumn of 1999, the Bank decided to extend its operations and offer individual and corporate customers in the UK a full range of banking services.

The Bank's fourth UK branch was opened in October 2000, in Nottingham, and in December of the same year online banking services were launched in the UK. During 2001-2003, two branches per year were opened. Since mid-2002 the British operations have been run as a regional bank, based on

the same principles as the Nordic branch operations. The expansion rate increased and during 2004-2006, the Bank opened 5 new branches a year in the UK. In 2007, the Bank decided to speed up the organic expansion rate further and tripled the number of new branches compared with the previous year. This brought the regional bank to a size where it was sufficiently large to start another regional bank, and during the year the Bank's 50th UK branch was opened. The year after, the first Handelsbanken branch in Scotland was opened.

In 2011, the Bank's 100th UK branch was opened and, like the Swedish branch operations, the British branch operations are organised into regional banks, with regional head offices around the country.



# 140 years of growth

## - Handelsbanken today

Our story began one summer's day in 1871: a newly established bank with one branch, 12 employees and share capital of 1 million kronor, as well as owners, including many of the Bank's customers, who proclaimed that the Bank would pursue "genuine banking activities" and focus on the local market.

140 years later, Handelsbanken is a full-service bank for both personal and corporate customers, with a nationwide branch network in Sweden, Denmark, Finland, Norway and the UK. The Bank regards these countries as its home markets. Today, Handelsbanken has more than 11,000 employees, and operations in 22 countries.

Handelsbanken's organisation is strongly decentralised, and operations are always based on the customer's requirements. This means that all business decisions regarding individual customers' relationships with the Bank are taken close to the customer.

Handelsbanken has more satisfied customers than its peer banks, is one of the most cost-effective listed full-service banks in Europe, and every year since the early 1970s, it has had higher return on equity than the average of its peer banks.

Year	No. of employees	No. of branches in Sweden	No. of branches other home markets	Profit after tax, SEK m	Total assets, SEK m
1871	12	1		0,003	6
1911	81	7		4	143
1921	2,065	271		12	1,368
1931	1,945	268		5	1,304
1941	2,167	271		8	1,629
1951	2,811	304		15	3,950
1961	4,160	406		31	7,032
1971	5,429	513		52	18,714
1981	4,912	455		222	102,960
1991	7,777	498	5	3,139	409,671
2001	9,239	458	87	8,290	1,174,521
2011	11,184	461	253	12,323	2,454,366

